

WRITTEN TESTIMONY of The Housing Authority of the City of Bristol

Before the Joint Committee on Housing

**H.B. Number 5225 "An Act Concerning Security Deposits of Senior Citizens and
Persons with Disabilities in Public Housing"**

Thursday, March 1, 2012

Co-chairs Gomes and Butler and members of the committee, on behalf of the Housing Authority of the City of Bristol as well as the Connecticut chapter of the National Association of Housing and Redevelopment Officials we would like to state our support of H.B. Number 5225 "An Act Concerning Security Deposits of Senior Citizens and Persons with Disabilities in Public Housing".

- The Purpose of collecting a security deposit is to cover any unpaid rents and/or damages, caused by the resident to the rental property, at the end of tenancy.
- Public Housing Authorities (PHAs) incur costs associated with unpaid rents and damages regardless of age and disability. We have found that senior and young disabled tenants have unpaid rent balances and damages equal to other tenants. Returning the security deposit to the elderly and young disabled establishes a distinction which is contrary to our experience.
- Costs to repair damages made to these units and any unpaid rent balances have to be absorbed by the PHA, to the detriment of other properties and the tenants that we serve.
- Without security deposits it is nearly impossible to collect for unpaid rents and/or damages to the units upon move out. Collection efforts are often useless since collectors cannot garnish federal disability and Social Security payments, which in many cases is the only source of income for these tenants.
- Security deposits are maintained in separate escrow accounts. The accounts earn interest paid by the bank. At this time the interest paid by our bank is .21%. The current regulations require the PHA to pay 5.25%. This results in unfunded mandate, to the detriment of other properties and tenants.
- Tenants at the subject properties pay 30% of their adjusted income. In many cases the tenant pays zero rent. Our average rent is \$240.00 at our Elderly/Young Disabled properties, 260 Units include heat and hot water; 164 other units include heat, hot water and electricity.

- PHA's now receive from the U.S. Department of Housing and Urban Development (HUD) about 95% of the net operating cost necessary to provide heat, hot water and in some cases for the tenant's electric bill and no subsidy for the State properties.
- We do have many lease abiding residents. However, there are many elderly and young disabled residents who have unauthorized family members in their unit who also cause damages.
- PHAs incur legal fees and cost for repairs. The eviction process often takes a significant amount of time, especially when the individual is elderly or disabled. Within the last two years our agency has written off over \$26,300 due to bad debt.
- During the month of February, 2011, one of our senior disabled tenant at Gaylord Towers caused a fire in his unit when he fell asleep while smoking a cigarette in bed. Unfortunately, the person died from the incident. The total amount of damages to the unit, surrounding units and hallways was 38,793.96. The deductible from this total was \$5,000 and the unit was off line until August 2011.
- During the month of April, 2011 at one of our high rises, another young disabled tenant vandalized a sprinkler head in her unit. There was extensive water damage throughout her unit as well as the building. The total amount in damages was \$42,438.80. The deductible from this total was \$5,000.
- At another property, a senior cause a fire in her unit due to smoking which cost \$87,590 with corresponding \$5,000 deductible.
- Another point we would like to make is that Public Housing Authorities must, as "Reasonable Accommodation", allow pets like cats and dogs and collect no pet deposits for this. These animals, in many occasions, will also cause damage to the unit, buildings and grounds resulting in additional damages to be absorbed by the PHAs to the detriment of other properties and tenants.

We respectfully ask the committee to favorably vote on HB 5225 and support its passage in this legislative session.